

DATE DISTR. 2 Mar 1949

COUNTRY Indonesia/Singapore

SUBJECT Bribery of Dutch Officials in Sumatra

PLACE 25X1A6a

NO. OF ENCLS.
(LISTED BELOW)

DATE OF IN
25X1X6

**SUPPLEMENT TO
REPORT NO.**

1. Chinese traders have been seen going into various ports in Sumatra and bribing Dutch officials in order to get their contraband cargoes ashore. They carry goods which the Dutch have forbidden them to use in barter trade with the Indonesians, such as building materials, tools, radios and cloth for uniforms. This practice has been especially prevalent at Palembang, Sumatra.
2. The Chinese traders invariably "short change" the Indonesians by over-valuing their cargoes and under-valuing the Indonesian's barter goods. Thus, upon arrival back in Singapore, their cargo is valued within the prescribed maximum but they are able to make a tremendous profit upon resale.
3. The captain of a coastal ship plying between Singapore and Java was arrested by a Dutch naval patrol in late 1947. He stated that there were five Chinese ships carrying contraband goods waiting just outside the harbor for an opportunity to enter. He stated that the naval officers of the patrol boat had been bribed by the Chinese traders and that they used his arrest as a reason for leaving their post so that the Chinese boats could enter the harbor unobserved by them.
4. The captain stated that his ship was seized and he was placed in jail despite the fact he had no contraband aboard. The Dutch authorities accused him of entering a port without authority; however, he claims that the same patrol boat which arrested him had given him permission to enter the harbor. He believes that he was put in jail to prevent his "talking".

NO CHANGE in Class.

DECLASSIFIED

Class. CHANGED TO: TS S C

DDA Memo, 4 Apr 77

Auth: DDA REG. 77/1763

Date: 12/05/78 By: 029

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